

UNITED STATES BANKRUPTCY COURT
DISTRICT OF ARIZONA

In Re. Potential Dynamix LLC

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§

Case No. 11-28944

Debtor(s)

Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 11/30/2021

Petition Date: 10/13/2011

Months Pending: 123

Industry Classification:

4	5	4	1
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Reporting Method: Accrual Basis Cash Basis

Debtor's Full-Time Employees (current): 0

Debtor's Full-Time Employees (as of date of order for relief): 0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- Statement of cash receipts and disbursements
- Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- Statement of operations (profit or loss statement)
- Accounts receivable aging
- Postpetition liabilities aging
- Statement of capital assets
- Schedule of payments to professionals
- Schedule of payments to insiders
- All bank statements and bank reconciliations for the reporting period
- Description of the assets sold or transferred and the terms of the sale or transfer

Timothy H Shaffer/s/

Signature of Responsible Party

12/04/2021

Date

Timothy H Shaffer

Printed Name of Responsible Party

8400 N Via Linda, Scottsdale, AZ 85258

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Case 2:11-bk-28944-DPC Doc 657 Filed 03/30/22 Entered 03/30/22 15:44:44 Desc
UST Form 11-MOR (06/07/2021) Main Document Page 1 of 11

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$581	
b. Total receipts (net of transfers between accounts)	\$0	\$0
c. Total disbursements (net of transfers between accounts)	\$0	\$0
d. Cash balance end of month (a+b-c)	\$581	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$0	\$0

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$0
b. Accounts receivable over 90 days outstanding (net of allowance)	\$0
c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$0
d. Total current assets	\$581
e. Total assets	\$581
f. Postpetition payables (excluding taxes)	\$495,424
g. Postpetition payables past due (excluding taxes)	\$495,424
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$495,424
k. Prepetition secured debt	\$0
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$8,935,435
n. Total liabilities (debt) (j+k+l+m)	\$9,430,859
o. Ending equity/net worth (e-n)	\$-9,430,278

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$0	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c. Gross profit (a-b)	\$0	
d. Selling expenses	\$0	
e. General and administrative expenses	\$0	
f. Other expenses	\$0	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$0	
k. Profit (loss)	\$0	\$0

Part 5: Professional Fees and Expenses

			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i						
ii						
b.	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i						
ii						
c.	All professional fees and expenses (debtor & committees)					

Part 6: Postpetition Taxes**Current Month****Cumulative**

a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$0
d. Postpetition employer payroll taxes paid	\$0	\$0
e. Postpetition property taxes paid	\$0	\$0
f. Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes No

b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes No

c. Were any payments made to or on behalf of insiders? Yes No

d. Are you current on postpetition tax return filings? Yes No

e. Are you current on postpetition estimated tax payments? Yes No

f. Were all trust fund taxes remitted on a current basis? Yes No

g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes No

h. Were all payments made to or on behalf of professionals approved by the court? Yes No N/A

i. Do you have: Worker's compensation insurance? Yes No
If yes, are your premiums current? Yes No N/A (if no, see Instructions)

 Casualty/property insurance? Yes No
If yes, are your premiums current? Yes No N/A (if no, see Instructions)

 General liability insurance? Yes No
If yes, are your premiums current? Yes No N/A (if no, see Instructions)

j. Has a plan of reorganization been filed with the court? Yes No

k. Has a disclosure statement been filed with the court? Yes No

l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes No

Part 8: Individual Chapter 11 Debtors (Only)

a. Gross income (receipts) from salary and wages	\$0
b. Gross income (receipts) from self-employment	\$0
c. Gross income from all other sources	\$0
d. Total income in the reporting period (a+b+c)	\$0
e. Payroll deductions	\$0
f. Self-employment related expenses	\$0
g. Living expenses	\$0
h. All other expenses	\$0
i. Total expenses in the reporting period (e+f+g+h)	\$0
j. Difference between total income and total expenses (d-i)	\$0
k. List the total amount of all postpetition debts that are past due	\$0
l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C. § 101(14A)?	Yes <input type="radio"/> No <input checked="" type="radio"/>
m. If yes, have you made all Domestic Support Obligation payments?	Yes <input type="radio"/> No <input type="radio"/> N/A <input checked="" type="radio"/>

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ Timothy H. Shaffer
 Signature of Responsible Party
 Chapter 11 Trustee
 Title

Timothy H. Shaffer
 Printed Name of Responsible Party
 03/30/2022
 Date

Potential Dynamix LLC
Profit Loss

	Nov 2021	Oct 2021	Sept 2021
Ordinary Income/Expense			
Income			
4500000 · Inventory Handling Services	0.00	0.00	0.00
4600000 · Merchandise Sales	0.00	0.00	0.00
Total Income	0.00	0.00	0.00
Cost of Goods Sold			
5210000 · Amazon Fees	0.00	0.00	0.00
5210500 · Amazon Transportation	0.00	0.00	0.00
5210500 · Amazon Transportation	0.00	0.00	0.00
5000000 · Other Internet Reseller Fees	0.00	0.00	0.00
5010000 · Cost of Product	0.00	0.00	0.00
501900 · Inventory Adjustment -Suppliers	0.00	0.00	0.00
5020000 · Cost of Freight-In	0.00	0.00	0.00
5022000 · Freight Out - Direct	0.00	0.00	0.00
Total COGS	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00
Expense			
6030000 · Payroll	0.00	0.00	0.00
6045000 · Employment Expenses	0.00	0.00	0.00
6070000 · Outside Services - Labor/Packaging	0.00	0.00	0.00
6070400 · Outside Services -Vendor Return	0.00	0.00	0.00
6070300 · Outside Services - Storage	0.00	0.00	0.00
6070500 · Outside Services - Fulfillment	0.00	0.00	0.00
6090000 · Packaging Supplies	0.00	0.00	0.00
6100000 · Rent Expense	0.00	0.00	0.00
6170000 · Computer and Internet Expenses	0.00	0.00	0.00
6200000 · Professional Fees	0.00	0.00	0.00
6300000 · Insurance Expense	0.00	0.00	0.00
6340000 · Interest Expense	0.00	0.00	0.00
6345000 · Depreciation Expense	0.00	0.00	0.00
6400000 · Office Supplies	0.00	0.00	0.00
6425000 · Supplies & Equipment	0.00	0.00	0.00
6430000 · Automobile Expense	0.00	0.00	0.00
6440000 · Dues & Subscriptions	0.00	0.00	0.00
6490000 · Travel	0.00	0.00	0.00
6494001 · Gifts	0.00	0.00	0.00
6495001 · Trade Shows/Seminars	0.00	0.00	0.00
6496001 · Security	0.00	0.00	0.00
6550000 · Licenses-Fees	0.00	0.00	0.00
6560000 · Taxes	0.00	0.00	0.00
6500000 · Utilities	0.00	0.00	0.00
6600000 · Janitorial Expense	0.00	0.00	0.00
6800000 · Telephone Expense	0.00	0.00	0.00
6900000 · Software & Programs	0.00	0.00	0.00
7100000 · Repairs and Maintenance	0.00	0.00	0.00
7200000 · Advertising and Promotion	0.00	0.00	0.00
7210000 · Vendor/Customer Relations	0.00	0.00	0.00
7300000 · Meals & Entertainment - Local	0.00	0.00	0.00
7500000 · Bank Charges	0.00	0.00	0.00
7600000 · Service Charges	0.00	0.00	0.00
7700000 · Amort. - Loan Origination Fees	0.00	0.00	0.00
7800000 · Uncollectible/Bad Debt	0.00	0.00	0.00
Total Expense	0.00	0.00	0.00

Potential Dynamix LLC
Profit Loss

	Nov 2021	Oct 2021	Sept 2021
Net Ordinary Income	0.00	0.00	0.00
Other Income/Expense			
Other Income			
9020000 · Interest Income	0.02	0.02	0.03
9000000 · Other Income- Bank Fee Adjustment	0.00	0.00	0.00
Total Other Income	0.02	0.02	0.03
Other Expense			
8000020 · Moving Expenses	0.00	0.00	0.00
Other Expense	0.00	0.00	0.00
9000030 · Bankruptcy Related Legal Fees	0.00	0.00	0.00
9000010 · Bankruptcy Ch 11 trustee	0.00	0.00	0.00
9000011 · Trustee Fees	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00
Nc Net Other Income	0.02	0.02	0.03
	0.02	0.02	0.03

Potential Dynamix LLC
Balance Sheet

	Schedule Amount	Nov 30, 2021	Oct 31, 2021
ASSETS			
Current Assets			
Checking/Savings			
1000003 · Wells Fargo Svngs 8242	0.00	0.00	0.00
1000001 · BofA D-I-P 2055	0.00	0.00	0.00
1000002 · Wells Fargo Chking 1617	0.00	0.00	0.00
1100100 · Petty Cash	0.00	0.00	0.00
1180000 · PayPal	0.00	0.00	0.00
1120000 · Chase Checking 3960 - CLOSED	153.12	0.00	0.00
1150000 · Bank of America 9343 - CLOSED	156.59	0.00	0.00
Alliance Bank - Trustee Acct Chkg Closed	0.00	0.00	0.00
Alliance Bank - Trustee Acct Saving	0.00	580.75	580.73
Total Checking/Savings	309.71	580.75	580.73
Accounts Receivable			
1200000 · Accounts Receivable	0.00	0.00	0.00
Total Accounts Receivable	0.00	0.00	0.00
Other Current Assets			
1300000 · Deposits	0.00	0.00	0.00
1350000 · Prepaid Expenses	24,402.62	0.00	0.00
1400000 · Inventory Asset, net of Reserve	584,349.57	0.00	0.00
1400001 · Inventory - Packing Overhead	137,651.04	0.00	0.00
1410000 · Factor Reserved Cash	-33,435.24	0.00	0.00
1450000 · Shareholder Advances	89,892.76	0.00	0.00
1460000 · Travel Advance	0.00	0.00	0.00
Total Other Current Assets	802,860.75	0.00	0.00
Total Current Assets	803,170.46	580.75	580.73
Fixed Assets			
1500000 · Furniture and Fixtures	9,650.00	0.00	0.00
1510000 · Vehicles	22,607.44	0.00	0.00
1520000 · Computer Equipment	68,263.19	0.00	0.00
1530000 · Office Equipment	18,757.43	0.00	0.00
1540000 · Warehouse/Branding Equipment	620.00	0.00	0.00
1550000 · Software Development	57,700.00	0.00	0.00
1590000 · Leasehold Improvements	11,852.63	0.00	0.00
1700000 · Accumulated Depreciation	-64,834.03	0.00	0.00
Total Fixed Assets	124,616.66	0.00	0.00
Other Assets			
1930000 · Loan Origination Fees	15,625.00		
1970000 · Security Deposits Asset	8,958.13	0.00	0.00

Potential Dynamix LLC
Balance Sheet

	Schedule Amount	Nov 30, 2021	Oct 31, 2021
Total Other Assets	24,583.13	0.00	0.00
TOTAL ASSETS	952,370.25	580.75	580.73
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000000 · Accounts Payable	8,381,174.04	8,935,434.52	8,935,434.52
Total Accounts Payable	8,381,174.04	8,935,434.52	8,935,434.52
Credit Cards			
2090000 · American Express CC-12008	206,123.79	206,123.79	206,123.79
2100000 · American Express CC 81000	5,662.33	5,509.35	5,509.35
2110000 · Bank of America CC 4003	30,331.41	31,084.52	31,084.52
2120000 · Chase MC CC 4538	41,047.81	40,868.70	40,868.70
2130000 · American Express CC-21004	4,055.97	4,055.97	4,055.97
2140000 · BofA Visa 0579 - CLOSED	0.00	0.00	0.00
2150000 · Sam's Discover CC	22,004.88	20,414.09	20,414.09
Total Credit Cards	309,226.19	308,056.42	308,056.42
Other Current Liabilities			
2561000 · Accrued Payroll	0.00		
2220000 · Factor Advance	55,214.65		
2223000 · TAB Inventory Loan	553,741.72		
2550000 · Sales Tax Payable	3,569.27		
2560000 · Payroll Taxes Payable	0.00		
2600000 · Accrued Liabilities	11,941.61	187,368.02	187,368.02
2611000 · Accrued Interest	3,681.28		
2650000 · Vehicle Loans - Current	580.77	0.00	0.00
Total Other Current Liabilities	628,729.30	187,368.02	187,368.02
Total Current Liabilities	9,319,129.53	9,430,858.96	9,430,858.96
Long Term Liabilities			
2852000 · LT Portion of Ally Van Loan	12,279.70		
Total Long Term Liabilities	12,279.70	9,430,858.96	9,430,858.96
Total Liabilities	9,331,409.23	9,430,858.96	9,430,858.96
Equity			
3005000 · Additional Paid In Capital	15,114.41	15,114.41	15,114.41
3010000 · Capital Stock	100.00	100.00	100.00
3200000 · Retained Earnings	-9,429,557.23	-9,445,492.64	-9,445,492.66
Net Income	-5,116,579.04	0.02	0.02
Total Equity	-8,379,038.98	-9,430,278.21	-9,430,278.23
TOTAL LIABILITIES & EQUITY	952,370.25	580.75	580.73

Alliance Bank

OF ARIZONA

Alliance Bank of Arizona, a division of Western Alliance Bank.
Member FDIC.

PO Box 26237 • Las Vegas, NV 89126-0237

Return Service Requested

POTENTIAL DYNAMIX LLC
CHAPTER 11 DIP CASE#2-11-BK-28944-CGC
TIMOTHY H SHAFFER TRUSTEE
6929 N HAYDEN RD STE C4-402
SCOTTSDALE AZ 85250-7258

Last statement: October 31, 2021
This statement: November 30, 2021
Total days in statement period: 30

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XXXXXX5978
(0)

Direct inquiries to:
877-273-2265

Alliance Bank Of Arizona
2701 E Camelback Road Ste 110
Phoenix AZ 85016

THANK YOU FOR BANKING WITH US!

Business Money Market

Account number	XXXXXX5978	Beginning balance	\$580.73
Low balance	\$580.73	Total additions	.02
Average balance	\$580.73	Total subtractions	0.00
Avg collected balance	\$580	Ending balance	\$580.75
Interest paid year to date	\$0.26		

CREDITS

Date	Description	Additions
11-30	' Interest Credit	.02

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
10-31	580.73	11-30	580.75		

INTEREST INFORMATION

Annual percentage yield earned	0.04%
Interest-bearing days	30
Average balance for APY	\$580.73
Interest earned	\$0.02

POTENTIAL DYNAMIX LLC
November 30, 2021

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OVERDRAFT/RETURN ITEM FEES

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

Thank you for banking with Alliance Bank Of Arizona

To Reconcile Your Checking Account:

1. Subtract from your checkbook balance any service charge, fees, preauthorized automatic payments or transfers, withdrawals (including ATM) which have been deducted on this statement.
2. Compare and check off paid checks against your checkbook record. Note: An * on your statement indicates a break in check sequence.
3. List checks not accounted for in the section marked "Checks Outstanding" and complete the statement of reconciliation.

CHECKS OUTSTANDING						STATEMENT OF RECONCILIATION	
Number	Amount	Number	Amount	Number	Amount	Ending balance from this statement	\$
						ADD deposits made but not shown on this statement	
						SUB TOTAL	
						SUBTRACT TOTAL CHECKS OUTSTANDING	
TOTAL CHECKS OUTSTANDING			\$	TOTAL Should agree with your checkbook balance			\$

If the total does not agree with your checkbook balance, the difference may be located by (1) checking the addition and subtraction in your checkbook record, (2) making sure each check and deposit was entered correctly in your record, (3) reviewing each step in the balancing procedure.

IMPORTANT INFORMATION ABOUT REVIEWING YOUR STATEMENT

You are responsible for promptly examining your statement each statement period and reporting any irregularities to us. The periodic statement will be considered correct for all purposes and we will not be liable for any payment made and charged to your Account unless you notify us in writing within certain time limits after the statement and checks are made available to you. We will not be liable for any check that is altered or any signature that is forged unless you notify us within thirty (30) calendar days after the statement is made available. Also, we will not be liable for any subsequent items paid, in good faith, containing an unauthorized signature or alteration by the same wrongdoer unless you notify us within thirty (30) calendar days after the statement is made available. If you have requested us to hold your Account statements, we have the right to mail your statements if you have not claimed them within thirty (30) calendar days. If we truncate your checks or provide you with an image of your checks, you understand that your original checks will not be returned to you with your statement. You agree that our retention of checks does not alter or waive your responsibility to examine your statements or change the time limits for notifying us of any errors.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Write us at One E Washington Street, Suite 100, Phoenix, AZ 85004, telephone us at (877) 273-2265 or E-mail us at inquiries@alliancebankofarizona.com as soon as you think your statement or receipt is wrong or if you need more information about a transfer on this statement. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared. In your letter:

- Tell us your name and account number.
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this (or 20 business days for a new account), we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

METHOD USED TO DETERMINE THE BALANCE ON WHICH THE INTEREST CHARGE WILL BE COMPUTED

Revolving Lines of Credit- We figure the interest charge on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance" we take the beginning balance of your account each day, add any new advances and fees and subtract any unpaid interest charges and any payments or credits. This gives us the daily balance.

The Annual Percentage Rate and Daily Periodic Rate may vary.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR STATEMENT

If you think there is an error on your statement, write to us at: Western Alliance Bank, 2701 E. Camelback Rd. Suite 110, Phoenix, AZ 85016

In your letter, give us the following information:

- **Account information:** Your name and account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of Problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake. You must contact us within 60 days after the error appeared on your statement. You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question. While we investigate whether or not there has been an error, the following are true:
 - We cannot try to collect the amount in question, or report you as delinquent on that amount.
 - The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
 - While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
 - We can apply any unpaid amount against your credit limit.

NOTICE OF FURNISHING NEGATIVE INFORMATION-We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

DIRECT DEPOSITS-If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (877) 273-2265 to find out if the deposit has been made.

